



Building a Prosperous Michigan

Michigan State Housing Development Authority



Historically, MSHDA's work has focused on the development of affordable housing. But our work has evolved, due in large part to our understanding that strong neighborhoods, vibrant downtowns, and prosperous regions will be the foundation on which we build a new Michigan economy.



Photo courtesy of Erik Holladay

Today, the Michigan State Housing Development Authority (MSHDA) works through creative and collaborative partnerships with state and federal agencies, with local governments, with businesses and nonprofits, to shape the quality of the places where we live, work, and play across the state.

Michigan's downtowns, diverse neighborhoods, entrepreneurial centers, cultural amenities, and unique destinations are all resources that must be developed and marketed to keep and attract talented workers, young professionals, visitors, and retirees.

MSHDA's work is focused on the future and driven to provide:

- Vibrant communities, and
- Affordable housing opportunities for all Michigan residents.

This means more investment opportunities for developers, entrepreneurs and small businesses who will share and flourish in Michigan's thriving economy and an unparalleled quality of life.

HOW DOES MSHDA WORK? WHAT DO WE DO?

MSHDA provides financial and technical assistance through public and private partnerships to create and preserve safe and decent affordable housing, engage in community economic development activities, develop vibrant cities, towns and villages, and address homelessness issues.

MSHDA's loans and operating expenses are financed through the sale of tax-exempt and taxable bonds to private investors. These proceeds are used to provide loans to developers of affordable rental housing at competitive interest rates and to fund affordable home mortgages and home improvement loans.

MSHDA also administers hundreds of millions of dollars in federal and state funds that support housing and community development programs. MSHDA's work rests on four interconnected pillars:

- Supporting homeownership
- Providing affordable rental housing
- Promoting vibrant cities and neighborhoods
- Ending homelessness

michigan.gov/mshda

A two-story white house with dark shutters and a small porch. Two people are walking in front of the house. The person on the left is a man with long brown hair, wearing a green t-shirt and a grey blazer. The person on the right is a woman with short dark hair, wearing a dark blue coat and an orange scarf. They are both looking at each other and smiling. The house has white siding, dark shutters, and a small porch with a white railing. There are some bushes in front of the house.

HOW DOES MSHDA SUPPORT HOMEOWNERSHIP?

MSHDA has met this challenge with people, partnerships and programs to:

- Assist homeowners to stay in their homes
- Encourage homeowners to improve their homes
- Help new homebuyers take advantage of available housing stock to preserve and improve neighborhoods



MSHDA supports Homeownership by providing:

- Single-family home loans
- Down payment assistance
- Homeownership counseling
- Foreclosure prevention
- Mortgage Credit Certificate program

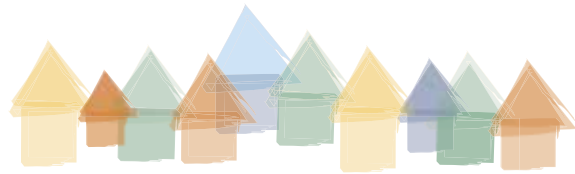
How MSHDA works: Helping the Hardest-Hit Homeowners

Step Forward Michigan is one of Michigan's responses to the perfect storm of unemployment, housing market paralysis and escalating payments that shook the foundations of homeownership for tens of thousands of Michigan residents. The threat of continued foreclosures had a serious impact on families, local governments, neighborhoods and regions.

MSHDA's Homeownership division developed Step Forward Michigan in partnership with:

- Michigan Bankers Association
- Michigan Credit Union League
- Michigan Association of Community Bankers
- Michigan Association of REALTORS®
- Michigan Foreclosure Task Force
- MSHDA's statewide homeownership counseling network

This effort has brought \$498 million in competitive federal dollars to Michigan to assist over 30,000 Michigan homeowners. For more information, please visit StepForwardMichigan.org.



Helping Michigan's Hardest-Hit Homeowners

HOW DOES MSHDA FINANCE AFFORDABLE RENTAL HOUSING?

Both urban centers and small towns depend on rental housing to provide safe, affordable living opportunities for workers and families. Maintaining decent and affordable rental housing helps to stabilize neighborhoods, keep workers close to jobs, and support strong schools. MSHDA offers: tax-exempt and taxable bond loans to for-profit and nonprofit developers for the construction and rehabilitation of rental developments. These private-public partnerships bring needed investment dollars to often-struggling communities, creating jobs and a sense of place—of safety, community and belonging—for everyone.

Historic Lloyd House fills need for affordable housing in Menominee

For years, City of Menominee officials could only watch as one of the community's historic structures, the former FNT Building on 1st Street, slowly decayed as various redevelopment proposals for the building failed to move forward.

In late 2011, the building had been dormant for more than a decade and was showing its age. Today, however, the structure is being transformed into the 44-unit Lloyd House Apartments, named in honor of the family that originally designed and built the four-story building in the mid-1920s. The \$10 million rehabilitation was undertaken by The Woda Group of Ohio and financed primarily by Housing Tax Credits and Historic Tax Credits administered by MSHDA.

Beyond improving the aesthetics of downtown Menominee, the project will play an important role by providing affordable housing for low- to moderate-income residents. MSHDA has helped put together projects such as Lloyd House Apartments to help ensure successful and accountable management and demonstrated return on investment for the communities served.

Serrano Lofts and Division Park Avenue Apartments give the Heartside Neighborhood in Grand Rapids a needed boost



Breathing life into tired downtown buildings can mean creating new businesses, new jobs, new tax revenue and a more vibrant neighborhood. In the case of Serrano Lofts and Division Park Avenue Apartments it means all of these things and a good deal more. The project worked with three historic buildings to preserve the character of an important downtown neighborhood while providing affordable rental housing to bring more residents to live, work and shop in the heart of the city.

The renovations were completed using Housing Tax Credits in combination with State and Federal Historic Tax Credits, Michigan Brownfield Tax Credits, and support from the City of Grand Rapids.

HOW IS MSHDA WORKING TO END HOMELESSNESS?

Homelessness is not just about housing. It can result in poverty and crime, cause disabilities and illness. Homelessness creates significant costs to the economic viability of a community or neighborhood. In 2006, MSHDA created a 10-year Campaign to End Homelessness—the nation's only statewide strategic initiative to address this issue. In addition to the overarching state plan, state and local leadership were mobilized in all 83 counties to create local plans, ensuring that the Campaign was sensitive to local resources and challenges.



A MSHDA-led coalition of state agencies, together with more than 400 local community partner organizations, have worked together to reduce homelessness by eliminating unnecessary regulatory barriers, promoting new policies, and providing rapid re-housing to break the cycle of homelessness. Local groups ensure that limited resources are put to the best possible use.

How MSHDA works:

Addressing the needs of Michigan's homeless veterans



On any night, as many as 200,000 U.S. veterans are homeless on the streets of America. In 2010, Piquette Square opened its doors to Detroit's homeless vets. It was financed through a combination of bond funding, tax credits, and MSHDA homeless funds. It provides on-site support services including mental health counseling, job training, computer labs, educational programs, and substance abuse counseling.

This is the largest and most comprehensive project of its kind in America. Piquette Square joined Battle Creek's Silver Star Apartments, a 76-unit building designed to connect Calhoun County veterans with the services they need. Silver Star was developed through a public-private partnership including Medallion Management, Family Home Health, the U.S. Department of Veterans Affairs and MSHDA. Silver Star Apartments Phase II will soon be completed.

How MSHDA works:

Oakman Place Apartments means housing for homeless youth and families

Oakman Place Apartments provides affordable housing for homeless youth and families in an effort to revitalize a neighborhood on the near west side of Detroit. Lutheran Child & Family Service of Michigan provides on-site services including case management, educational development and employment opportunities. These services are made available through a partnership with United Way Southeast Michigan and Focus: HOPE.

A photograph of an older man with white hair and a beard, wearing a grey turtleneck, playing a double bass. He is positioned on the left side of the frame. In the foreground, the top of a wooden piano is visible. Behind the man, a large, diverse crowd of people is sitting on the grass in a park-like setting with trees in the background. A semi-transparent text box is overlaid on the right side of the image.

PLACE MATTERS

People choose to live, work and play in vibrant cities and walkable, safe neighborhoods. MSHDA helps communities, neighborhoods, cities and traditional main street commercial districts plan and build to attract new residents and businesses, promote investment, and jump-start economic growth...

Photo courtesy of Doug Coombe

...The health and vibrancy of hundreds of Michigan communities rests squarely on downtowns and main streets—their commercial and service centers. But in cities and towns across the state, downtowns are at risk from a host of factors. If we allow them to empty and crumble, we stand to lose our identity, our community spirit, and our ability to attract and retain business.

This work takes MSHDA from our largest urban centers to small rural towns. It includes the Michigan Main Street program, which provides technical assistance to downtown businesses and helps to revitalize and preserve traditional commercial districts. It also includes Historic Preservation Initiatives, which allow cities and towns to identify and preserve the buildings and places that connect them with their history and preserve that history for future generations. There is a healthy, prosperous and green future for Michigan cities—large and small. MSHDA is helping them find a path to get there.

WHAT IS PLACEMAKING?

Placemaking is a multi-faceted approach to the planning, design and management of public spaces. It influences business development and expansion decisions, inspires downtown revitalization and historic preservation, builds community identity and pride of place, promotes diversity and stimulates the growth of creative enterprise. Placemaking has long been a key organizing idea behind MSHDA's community development projects. Together with our many partners, we invest in Michigan communities to:

- Enhance the quality of life of our residents
- To attract and retain businesses, entrepreneurs and workers throughout the state

Place-based economic development—creating vibrant, sustainable communities—is a winning economic strategy that will provide the foundation for a new Michigan.

How MSHDA works: The Rental Rehabilitation Program

Across Michigan, smaller traditional downtowns have struggled in the face of changing demographics, malls and big-box stores. These conditions only worsened in the economic downturn, which hit these towns with ferocious consequences. But small towns have fought back. Main Street initiatives have organized downtown business owners to promote and beautify their commercial districts.

The “buy local” anthem has brought new shoppers back to Main Street. But one problem remains: The historic building stock of many traditional downtowns is threatened by the economics of property management. Commercial landlords in small, traditional downtowns experience low rents and high turnover among their first-floor business clients. Commercial rents alone often cannot finance building upkeep and restoration while at the same time, second- and third-story residential units are too often in disrepair or abandoned. MSHDA's Rental Rehabilitation program helps landlords turn neglected downtown second stories into attractive, green, affordable residential living spaces.

The program works with smaller cities and villages to help fund renovation through interest-free loans for up to 75 percent of rehabilitation costs (or up to \$35,000 per unit). The loans are forgivable following a five-year affordability period. Each unit brings additional people downtown to support businesses and help create a sense of place. When it all comes together, as it has for dozens of Michigan towns, the results can be transformative.



How MSHDA works: Manistee Main Street

Manistee's first full year under the Michigan Main Street Program yielded big results for downtown businesses, highlighted by a 50–50 match initiative that allowed Manistee civic leaders to leverage approximately \$31,000 into nearly \$400,000 in private and public investment. A downtown CPA's office used a MSHDA 50 percent Exterior Façade Grant and 20 percent in Historic Tax Credits—the first such project in Manistee—to complete a workable design rehabilitation project. The architectural makeovers improved downtown Manistee's appearance and coincided with the opening of 16 new businesses and eight storefront expansions.

How MSHDA works: Flint's Durant Hotel



The redevelopment of the historic Durant building in downtown Flint has created momentum that has brought new young residents and new businesses to a challenged city. This successful project is a partnership supported by the:

- Genesee County Land Bank
- C.S. Mott Foundation
- Ford Foundation
- Community Foundation of Greater Flint
- Michigan Economic Development Corporation
- Genesee County

They worked side by side with MSHDA's State Historic Preservation Office and Community Development divisions to bring 14 different sources of state and federal funding to the project. Built in 1920, the landmark building now has more than 90 lofts, with commercial tenants and small business space on lower floors. The renovation is part of an overall revitalization of downtown Flint and will provide urban-style lofts for the University of Michigan-Flint and Mott Community College communities.

WHO ARE MSHDA'S PARTNERS?

MSHDA's work could not exist without innovative partnerships forged across sectors and governmental boundaries. We often bring together ideas, people and resources from across the state and the nation, focusing them on a single outcome in a single place. This means:

- Bringing private investors together to build affordable rental housing
- Aligning federal program dollars to assist communities in rebuilding neighborhoods
- Empowering business owners and landlords to revitalize and transform traditional downtowns
- Working with financial institutions and organizations to help improve homes and neighborhoods
- Working with hundreds of agencies, in every corner of the state, to address the root causes of homelessness

This work is both broad and deep. It can build great places. It can improve lives as our partners share the vision for a new Michigan.

How MSHDA works: The MIplace Partnership

Michigan is at the forefront of a national movement embracing placemaking policies in 21st-century downtown community and neighborhood planning. This work includes:

- The development of toolkits
- Education and training efforts
- Regional and local action plans
- Technical assistance
- Measurement of progress and outcomes to assist local governments and organizations



Because this initiative encompasses issues of housing, transportation, economic development and public infrastructure, many state agencies and organizations are involved in this collaborative, coordinated work through the MIplace Partnership.

These agencies and organizations will be connected in a way that promotes teamwork among them and collaboration with local government and regional leaders. Their work includes groups like the Michigan Sense of Place Council and the Interdepartmental Collaboration Committee's Placemaking Group. Learn more at MIplace.org.

Our Mission

MSHDA provides financial and technical assistance through public and private partnerships to create and preserve decent, affordable housing for low- and moderate-income residents and to engage in community economic development activities to revitalize urban and rural communities.

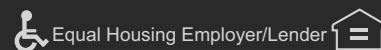
Our Vision

We are dedicated to building a strong and vibrant Michigan—from urban regions to small towns, from neighborhoods to downtowns. To do this, MSHDA makes investments in people and places. We forge creative and collaborative partnerships, share knowledge, and target resources to provide affordable housing, sustain communities, preserve historic sites, and improve quality of life.



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